



**Health Services**  
LOS ANGELES COUNTY

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May 19, 2009

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT  
(ALL DISTRICTS) (3 VOTES)**

**SUBJECT**

To request Board approval for the Interim Director of Health Services (Director) to accept compromise offers of settlement for patients who received medical care at either County facilities and/or at non-County operated facilities under the Trauma Center Service Agreement. The compromise offers of settlement referenced below are not within the Director's authority to accept.

**IT IS RECOMMENDED THAT YOUR BOARD:**

Authorize the Director or his designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, of the following individual accounts:

Patients who received medical care at a County facility:

(1)	Account Number	MLK/D – 5050390	\$ 1,611
(2)	Account Number	H/UCLA – 9290769	\$ 17,887
(3)	Account Number	H/UCLA – Various	\$ 21,666
(4)	Account Number	RLANRC – 4672069	\$ 250,250

Trauma patients who received medical care at non-County facilities:

(5)	Account Number	EMS 202	\$ 2,500
(6)	Account Number	EMS 203	\$ 27,484

Patient who received medical care at a County facility who are also trauma patient that received medical care at non-County facilities:

(7)	Account Number	H/UCLA & EMS –Various	\$ 30,000
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**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Patients who received medical care at a County facility: The compromise offers of settlement for patient accounts (1) - (3) are recommended because

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

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MAY 19, 2009

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department was able to negotiate or was offered under the legal settlement involved in these cases. The compromise offer of settlement for patient account (4) is recommended because the amount is the highest amount that could be negotiated from the patient's workers compensation claim under the circumstances of the case.

Trauma patients who received medical care at non-County facilities: The compromise offers of settlement for patient accounts (5) – (6) are recommended because the County has agreements with certain non-County medical facilities under which it pays for trauma care provided to eligible indigent patients at those facilities. These agreements allow the County, after it has made payment for a particular patient, to pursue recovery from third parties who are financially responsible for such trauma care.

Patients who received medical care at a County facility who are also Trauma patients that received medical care at non-County facilities:

The compromise offer of settlement for patient account (7) is recommended because the patient is unable to pay the full amount of charges and the compromise offer represents the maximum amount the Department was able to negotiate or was offered under the legal settlement involved in the case. Additionally, the County has agreements with certain non-County medical facilities under which it pays for trauma care provided to eligible indigent patients at those facilities. These agreements allow the County, after it has made payment for a particular patient, to pursue recovery from third parties who are financially responsible for such trauma care.

The best interests of the County would be served by approving the acceptance of these compromises, as it will enable the Department of Health Services (DHS) to maximize net revenue on these accounts.

#### **Implementation of Strategic Plan Goals**

The recommended action supports Goal #1, Operational and Effectiveness, of the County's Strategic Plan.

#### **FISCAL IMPACT/FINANCING**

This will expedite the County's recovery of revenue totaling approximately \$351,398.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

On January 15, 2002, the Board adopted an ordinance granting the Director authority to compromise or reduce patient account liabilities when it is in the best interest of the County to do so.

On November 1, 2005, the Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by the Board on December 8, 2005.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's lien. Factors that contribute to each party receiving more or less than one-third of the recovery include the number of medical lien holders, the patient's attorney retainer agreement, and costs accrued by the patient during the legal process.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Maximizing net revenues on patients who received medical care at County facilities will help DHS meet its budgeted revenue amounts. All payments received for the trauma accounts (non-County facilities) will replenish the Los Angeles County Trauma Fund.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



John F. Schunhoff, Ph.D.  
Interim Director

JFS:lg (R:\LMARTINEZ\COMPROMISE\BRDLTR#77\LETTER HSA & EMS)

Attachments (7)

c: Chief Executive Officer  
Acting County Counsel  
Executive Officer, Board of Supervisors

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1  
DATE: May 19, 2009

<b>Total Charges</b>	\$17,700	<b>Account Number</b>	5050390
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$17,700	<b>Date of Service</b>	12/24/02 – 12/28/02
<b>Compromise Amount Offered</b>	\$1,611	<b>% Of Charges</b>	9 %
<b>Amount to be Written Off</b>	\$16,089	<b>Facility</b>	MLK/D Medical Center

### JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at MLK/D Medical Center and incurred total inpatient charges of \$52,618 for medical services rendered. The patient had insurance coverage which paid \$34,918 leaving a balance of \$17,700 the patient's deductible. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Lawyer's Fees</b>	\$3,750	\$3,750	25 %
<b>Lawyer's Cost</b>	\$1,003	\$1,003	7 %
<b>MLK/D Medical Center *</b>	\$17,700	\$1,611	11 %
<b>Other Lien Holders *</b>	\$38,588.25	\$3,512	23 %
<b>Patient</b>		\$5,124	34 %
<b>Total</b>		\$15,000	100%

\* Lien holders are receiving 34 % of the settlement (11 % to MLK/D Medical Center and 23 % to others).

Based on the DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to MLK/D Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2  
DATE: May 19, 2009

<b>Total Charges</b>	\$57,318	<b>Account Number</b>	9290769
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$57,318	<b>Date of Service</b>	6/17/08 – 6/23/08
<b>Compromise Amount Offered</b>	\$17,887	<b>% Of Charges</b>	31 %
<b>Amount to be Written Off</b>	\$39,431	<b>Facility</b>	H/UCLA Medical Center

### JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient charges of \$57,318 for medical services rendered. The patient had restricted Medi-Cal that did not cover for the services provided. The patient's third party liability (TPL) claim settled for \$100,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Lawyer's Fees</b>	\$33,333	\$33,333	33 %
<b>Lawyer's Cost</b>	\$500	\$500	1 %
<b>H/UCLA Medical Center *</b>	\$57,318	\$17,887	18 %
<b>Other Lien Holders *</b>	\$113,111	\$15,447	15 %
<b>Patient</b>		\$32,833	33 %
<b>Total</b>		\$100,000	100%

\* Lien holders are receiving 33 % of the settlement (18 % to H/UCLA Medical Center and 15 % to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to H/UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3  
DATE: May 19, 2009

<b>Total Charges</b>	\$77,936	<b>Account Number</b>	Various
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient & Outpatient
<b>Balance Due</b>	\$77,936	<b>Date of Service</b>	Various
<b>Compromise Amount Offered</b>	\$21,666	<b>% Of Charges</b>	28 %
<b>Amount to be Written Off</b>	\$56,270	<b>Facility</b>	H/UCLA Medical Center

### JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient charges of \$77,936 for medical services rendered. The patient had obtained an attorney and chose to be billed. The patient's third party liability (TPL) claim settled for \$65,000 and her attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Lawyer's Fees</b>	\$21,666	\$21,666	33.33 %
<b>Lawyer's Cost</b>	\$761.69	\$761.69	1.17 %
<b>H/UCLA Medical Center</b>	\$77,936	\$21,666	33.33 %
<b>Other Lien Holders</b>			
<b>Patient</b>		\$20,906.31	32.17 %
<b>Total</b>		\$65,000	100%

Based on the DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to H/UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4  
DATE: May 19, 2009

<b>Total Charges</b>	\$469,394	<b>Account Number</b>	4672069
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$469,394	<b>Date of Service</b>	5/21/08 - 8/20/08
<b>Compromise Amount Offered</b>	\$250,250	<b>% Of Charges</b>	53 %
<b>Amount to be Written Off</b>	\$219,144	<b>Facility</b>	RLANRC

## JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's workers compensation insurance under the circumstances of this case. The offer is higher than potential Medi-Cal reimbursement and the State's Workers Compensation fee that the department may have to settle for if this compromise is not accepted.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5  
DATE: May 19, 2009

<b>Total Charges (Providing Facility)</b>	\$68,716	<b>Account Number</b>	EMS 202
<b>Amount Paid to Providing Facility</b>	\$21,000	<b>Service Type / Date of Service</b>	Inpatient 7/07/07-7/11/07
<b>Compromise Amount Offered</b>	\$2,500	<b>% of Payment Recovered</b>	12%

## JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident; the patient was treated at California Hospital Medical Center and incurred total inpatient charges of \$68,716 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$21,000. The patient's third-party claim has been settled for \$5,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement (\$5,000)</b>
<b>Los Angeles County</b>	\$68,716	\$2,500	50%
<b>Patient</b>		\$2,500	50%
<b>Total</b>		\$5,000	100%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.



## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6  
DATE: May 19, 2009

<b>Total Charges (Providing Facility)</b>	\$61,077	<b>Account Number</b>	EMS 203
<b>Amount Paid to Providing Facility</b>	\$35,400	<b>Service Type / Date of Service</b>	Inpatient 7/17/2007-7/27/2007
<b>Compromise Amount Offered</b>	\$27,484	<b>% of Payment Recovered</b>	78%

## JUSTIFICATION

This patient was involved in a bicycle versus automobile accident. As a result of this accident; the patient was treated at St. Francis Medical Center and incurred total inpatient charges of \$61,077 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$35,400. The patient's third-party claim has been settled for \$108,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement (\$108,000)</b>
<b>Attorney fees</b>	\$43,200	\$36,000	33.3%
<b>Attorney cost</b>	\$805	\$805	0.8%
<b>Los Angeles County</b>	\$61,077	\$27,484	25.5%
<b>Other Lien Holders</b>	\$13,484	\$6,089	5.6%
<b>Patient</b>		\$37,622	34.8%
<b>Total</b>		\$108,000	100%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 7  
DATE: May 19, 2009

### H/UCLA MEDICAL CENTER ACCOUNT

<b>Total Charges</b>	\$42,537	<b>Account Number</b>	Various
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient & Outpatient
<b>Balance Due</b>	\$42,537	<b>Date of Service</b>	Various
<b>Compromise Amount Offered</b>	\$12,956.37	<b>% Of Charges</b>	30 %
<b>Amount to be Written Off</b>	\$29,580.63	<b>Facility</b>	H/UCLA Medical Center

### ST. MARY'S MEDICAL CENTER ACCOUNT

<b>Total Charges (Providing Facility)</b>	\$55,956	<b>Account Number</b>	EMS
<b>Amount Paid to Providing Facility</b>	\$15,700	<b>Service Type / Date of Service</b>	Inpatient 11/21/05-11/25/05
<b>Compromise Amount Offered</b>	\$17,044	<b>% of Payment Recovered</b>	113%

## JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and St. Mary's Medical Center and incurred total inpatient and outpatient charges of \$98,493 for medical services rendered. The patient was denied Medi-Cal and qualified for ATP with no liability. St. Mary's Medical Center has received payment from the Los Angeles County Trauma Fund in the amount of \$15,700. As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

The patient's attorney was uncooperative in providing additional details of the settlement distribution (e.g., attorney's fee and cost, distribution to patient and other lien holders) to DHS' outside collection agency. County Counsel has reviewed the circumstances of this case and recommended acceptance of the offer to resolve the continuance of litigation that would not be cost-effective for the County. Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to Los Angeles County. This compromise offer represents the highest amount negotiated by County Counsel under the legal settlement involved in the case.